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ENVIRONMENTAL ASSOCIATES, INC.

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June 1, 1995

JN 5111

Wapato Associates Limited Partnership
700 Fifth Avenue, Suite 6100
Seattle, Washington 98104

Attention: George Lobisser

Subject: **UPDATED PHASE I ENVIRONMENTAL AUDIT**
Former Juice Processing Plant
5661 Branch Road
Wapato, Washington

Dear Mr. Lobisser:

Environmental Associates, Inc. has completed an update of a Phase I Environmental Audit of the property located at 5661 Branch Road, Wapato, Washington. This updated report, prepared in accordance with the terms of our proposal dated April 25, 1995 and in a manner generally consistent with the intent and methodologies of ASTM E 1527-94 "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process", summarizes our approach to the project along with results and conclusions.

The contents of this report are confidential and are intended solely for your use and those of your representatives. Four copies of this report are being distributed to you. No other distribution or discussion of this report will take place without your prior approval in writing. Additional copies are available for a small fee.

Based upon the information developed in the course of our study, and momentarily excluding the asbestos-containing flooring and gaskets, and the unknown condition of the soil and groundwater in the vicinity of one of the underground storage tanks removed in 1988, it appears that the property is free from contamination by potentially hazardous, dangerous, or toxic materials. In their current use and condition, the flooring, gaskets, and "popcorn" ceiling present no threat to public health or the environment. No action or further study would be required at this time under current state or federal regulations. Recommendations regarding soil and groundwater conditions are discussed in the Conclusions/Recommendations section of this report.



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We appreciate the opportunity to be of service on this assignment. If you have any questions or if we may be of additional service, please do not hesitate to contact us.

Respectfully submitted,
ENVIRONMENTAL ASSOCIATES, INC.



Don W. Spencer, M.Sc., P.G., R.E.A.
Principal

EPA-Certified Asbestos Inspector/Management Planner
I.D. # AM 48151
State Certification # 947458636

Registered Site Assessor/Licensed UST Supervisor
Washington Department of Ecology

License: W000010 (Washington)
License: 11464 (Oregon)
License: 876 (California)

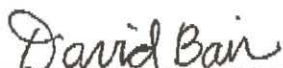
UPDATED PHASE "1" ENVIRONMENTAL AUDIT

Former Juice Processing Plant
5661 Branch Road
Wapato, Washington

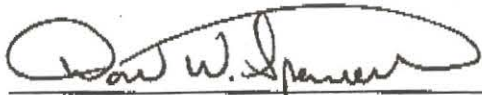
Prepared for:

Wapato Associates Limited Partnership
700 Fifth Avenue, Suite 6100
Seattle, Washington 98104

Questions regarding this investigation, the conclusions reached and the recommendations given should be addressed to one of the following undersigned.



David Bair
Environmental Engineer
EPA-Certified AHERA Building Inspector
I.D. No. 940112-01



Don W. Spencer, M.Sc., P.G., R.E.A.
Principal

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I.D. # AM 48151

Registered Site Assessor/Licensed UST Supervisor
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Reference Job Number: 5111

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Range 19 East), 20 tests were performed. The average radon level measured was 0.89 pCi/L, with the highest level 2.90 pCi/L. None of the sites tested had a radon level above 4.0 pCi/L. If certainty regarding radon levels at the subject property is desired beyond that provided by BPA statistics for nearby areas, on-site testing would be required.

WATER SUPPLY, WASTE WATER AND SOLID WASTE MANAGEMENT

Water to the subject property is supplied by an on-site well. Two fire wells are also located on site. Two septic systems are also located on site. One serves the main processing plant, while the other serves the administrative offices.

According to the Yakima County Public Works Department, solid waste service to the subject property is provided by Waste Management of Ellensburg or Yakima Waste Systems.

REVIEW OF WASHINGTON DOE LISTING OF UNDERGROUND STORAGE TANKS

Review of the current Washington Department of Ecology listing of underground storage tanks (USTs) suggests that no registered USTs are located within a one-half mile radius of the subject property.

According to the most recent listing of leaking underground storage tanks from the Central Regional Office of the WDOE, no tank facilities located within approximately a one-half mile radius of the subject property have reported accidental releases or leakage to the WDOE in the past.

FORMER ON-SITE UNDERGROUND STORAGE TANKS

There are no underground storage tanks (USTs) believed to be on the property at present. An Environment Assessment performed by Thorne Environmental of Lynnwood, Washington in November 1988 identified three USTs. These included a 15,500-gallon fuel oil tank, an 800-gallon gasoline tank, and a 250-gallon gasoline tank. Exploratory excavation and soil sampling identified some free product around the 15,500-gallon tank. The extent of the contamination, however, was not identified. Petroleum products were not found around the other two tanks. All three tanks were removed in December 1988, prior to the current set of regulations regarding USTs and UST removal. According to Thorne's report, no closure documentation was prepared. The Yakima County Fire Marshal did not have any records regarding removal of these tanks. The locations of the USTs described in the Thorne Environmental report were not indicated, nor was the report available for our review.

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A November 1989 audit performed by O'Brien and Gere Engineers, Inc. identified at least two additional USTs, based on observation of fill and vent lines. In August 1991, four USTs were permitted to be removed from the site at the locations indicated in O'Brien and Gere's 1989 audit. These included a 2,000-gallon diesel tank, a 10,000 gallon P.S. 300 oil tank, a 300-gallon heating oil tank, and a 1,000-gallon heating oil tank. The tank removal was performed by Major Petroleum Service Company and the site assessment reports were prepared by White Shield, Inc.

One report, dated June 1991, covered the removal of the 2,000-gallon and 10,000-gallon tanks. These tanks were located on the property south of Branch Road and were said to be used for refueling railroad locomotives. Contamination exceeding WDOE action levels was found in the soil and groundwater adjacent to the 10,000 gallon tank. Remedial action was taken until analyses indicated that the excavation was free from contamination. The excavated material was land farmed on the Sanofi Bio-Industries property in the vacant field behind the main processing building. The approximate location is described as being 600 feet north of Branch Road and 1,000 feet east of Lateral B Road.

The second report, dated August 1991, documented the removal of one 1,000 gallon heating oil tank. This tank was located south of the main processing building. No sign of contamination was present in the excavation, and soil samples were free from contamination. No mention was made of the fourth tank in either report.

EPA & STATE RECORDS OF POTENTIALLY HAZARDOUS SITES

Superfund and NPL	Review of the current EPA Comprehensive Environmental Response, Compensation, and Liability Information System (CERCLIS) and National Priority List (NPL) listings revealed <u>no</u> CERCLIS and <u>no</u> NPL sites within an approximate one mile radius of the subject property that have been designated as potentially hazardous or eligible for participation in the Superfund cleanup program.
MTCA	The Washington Department of Ecology hazardous waste cleanup and investigation program was launched in 1989 as a part of the Model Toxics Control Act (MTCA), Chapter 173-340 WAC, in order to evaluate potential and actual hazards at sites within the state. Of the more than 630 sites currently on the program list, <u>none</u> are located within a one mile radius of the subject property.
RCRA/FINDS	Review of the EPA's Facility Index System (FINDS) listing revealed that the only site within a one-half mile radius of the subject property which is regularly monitored by EPA/DOE for the use or generation of small amounts of hazardous substances as a normal part of its business activities is the subject site. It is listed as a conditionally exempt generator (less than 100 kilograms per month of material).

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Businesses named in the FINDS listing are users or generators of potentially hazardous or toxic materials as a normal aspect of their business practices. Listed businesses are required to closely monitor and report their use or generation of such materials to the EPA.

Based upon this information, upon the monitoring and reporting requirements imposed by the EPA, and upon the presumption that the above-mentioned user/generators exercise prudence in management of these materials to minimize liability and EPA penalties, it is our opinion that the potential for environmental impairment of the subject property from these sources is very low.

ERNS Review of the EPA's Emergency Response Notification Systems (ERNS) list for the State of Washington revealed that the subject site has not reported a spill. This list has been compiled since October 1987.

LANDFILLS

A review of documents from the WDOE and a conversation with Mr. Ron Pepper, Solid Waste Manager with the Yakima County Public Works Department, regarding current and abandoned landfills revealed that there are no documented landfills located within a one mile radius of the subject property. According to Mr. Pepper, the nearest landfill is approximately five miles away.

CONCLUSIONS/RECOMMENDATIONS

Based upon the information developed in the course of our study, and momentarily excluding the previously noted asbestos-containing flooring and gaskets and the undocumented condition of the soil and/or groundwater in the vicinity of the 15,500-gallon UST removed in 1988, it appears that the subject property is free from contamination by potentially dangerous, hazardous, or toxic substances, and that such substances as defined under the Resource Conservation and Recovery Act (RCRA-42 USC-6901, et seq.), the Federal Water Pollution Control Act (33 USC 1257, et seq.), the Clean Air Compensation and Liability Act (42 USC 2001, et seq.), the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA: 42 USC 9601, et seq.), and the Dangerous Waste Regulations of the State of Washington, Chapter 173-303 WAC, have not been disposed of on the property.

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Asbestos

Borrowing evaluation criteria used under the Asbestos Health Emergency Response Act (AHERA, 40 CFR Part 763), the asbestos-containing materials (ACM) observed during the reconnaissance in the subject building were in "good" condition. In their current use and condition, the materials present no threat to health or to the environment.

If not already in place, and as a precaution against exposure to potential liabilities, it may be prudent to implement a management policy whereby all maintenance, repair, and service personnel working on the property are formally advised as to the presence of ACM prior to commencement of any work associated with the ACM-bearing structures.

Should the owner intend to renovate, demolish, construct, remodel, or repair any or all portions of the structure resulting in the disturbance of the ACM, please note that applicable sections of WAC 296-65 require that all projects relating to construction, demolition, repair, or maintenance where release or likely release of asbestos fibers into the air could occur must be performed by "certified asbestos workers". Additional information may be obtained through the offices of Environmental Associates, Inc., Inc. or directly from the Washington State Department of Labor and Industries, P.O. Box 207, Olympia, Washington 98504.

FORMER UNDERGROUND STORAGE TANK(S)

According to discussions offered on Page 9 of the referenced JUB report, a report by Thorne Environmental (not included in JUB list of references) indicated that some free product was found around a 15,500-gallon UST. The extent of the contamination was not discussed, nor was the location of the UST indicated. Finally, JUB stated that the Yakima County fire marshall had no records regarding the tank removal.

Assessment of subsurface soil and/or groundwater conditions cannot be accomplished through visual examination of surficial conditions afforded by the scope of our updated Level 1 audit effort. This limitation combined with unknowns regarding the 1988 tank closure activity provides the basis for the following management alternatives offered for discussion and consideration:

- (1) The owner and lender could agree to presume that some residual petroleum may be present in soils in the immediate vicinity of the 15,500-gallon tank location, and could assign a hypothetical dollar value for possible future cleanup. In our opinion, this "alternative" appears flawed from several perspectives: (a) it could disqualify the owner or lender as "innocent parties" under SARA provisions for third party exclusion from liability as each "had reason to know" that the property was potentially contaminated, and; (b) the presumption regarding de minimis extent of the problem could be incorrect, could be discovered by other parties such as adjacent property owners, and could thereby lead to exposure to third party claims for damages.

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- (2) Subsurface sampling and laboratory testing of soils from drilling or other excavation methods could be employed to efficiently, nondestructively, and inexpensively explore soil conditions at the former site of the 15,500-gallon tank, which could hopefully confirm that soil conditions at that location are compatible with existing soil quality criteria offered under the MTCA, Chapter 173-340-740 WAC.

Decisions regarding implementation of the above alternatives or other approaches clearly lie with the property owner and the lender, depending upon their individual risk tolerances.

LIMITATIONS

This report has been prepared for the exclusive use of Wapato Associates Limited Partnership along with West One Bank and their several representatives for specific application to this site. Our work for this project was conducted in a manner consistent with that level of care and skill normally exercised by members of the environmental science profession currently practicing under similar conditions in the area, and in accordance with the terms and conditions set forth in our proposal dated April 25, 1995. No other warranty, expressed or implied, is made. If new information is developed in future site work which may include excavations, borings, studies, etc., Environmental Associates, Inc., must be retained to reevaluate the conclusions of this report and to provide amendments as required.

The level of effort regarding identification of potential ACM should be considered a reconnaissance, should not be confused with an asbestos survey, and should not be used for removal or abatement bidding purposes.

The quality of subsurface soil and/or groundwater cannot reliably be determined through examination of surficial conditions afforded by the scope of work of a Phase 1 or Level 1 environmental audit such as described in this report, nor do opinions offered herein constitute any warranty in that regard.